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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 10/763,550 | 01/23/2004 | Alfred Kariuki Mukunya | 04233883 | 7513 |
| 7590 Daniel H. Shulman Mayer, Brown, Rowe & Maw LLP P.O. Box 2828 Chicago, IL 60690-2828 | | | EXAMINER NGUYEN, NGA B | |
| | | | ART UNIT 3692 | PAPER NUMBER |
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/763,550

Applicant(s)

MUKUNYA ET AL.

Examiner

Nga B. Nguyen

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 January 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>10/14/04</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This Office Action is the answer to the communication filed on January 23, 2004, which paper has been placed of record in the file.
2. Claims 1-26 are pending in this application.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1-26 are rejected under 35 U.S.C. 112, first paragraph, because the claims recite "a single means" ("a server"). A single means claim, i.e., where a means recitation does not appear in combination with another recited element of means, is subject to an undue breadth rejection under 35 U.S.C. 112, first paragraph. In re Hyatt, 708 F.2d 712, 714-715, 218 USPQ 195, 197 (Fed. Cir. 1983) (A single means claim which covered every conceivable means for achieving the stated purpose was held nonenabling for the scope of the claim because the specification disclosed at most only those means known to the inventor.). When claims depend on a recited property, a fact situation comparable to Hyatt is possible, where the claim covers every conceivable structure (means) for achieving the stated property (result) while the specification discloses at most only those known to the inventor.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-12 and 19-26 are rejected under 35 U.S.C. 102(e) as being anticipated by May, U.S. Patent No. 6,996,540.

Regarding claim 1, May discloses a system for trading product and brand sales among traders comprising:

a server to act as trading platform (figure 1 and column 11, lines 8-20, central processing center 12);

identifying a brand or product (figure 13 and column 32, line 55-column 33, line 60, selecting instrument for trading);

generating information regarding contracts available for trading and hedging on sales of the product or brand (column 41, lines 10-30, traders can buy and sell securities and to hedge with the newest or benchmark issues);

receiving information representative of trader eligibility for participating in creating a market in said contracts (column 15, lines 45-65, the user is required to logs on the system by entering user name and password; the user submits user defined

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preferences which are based on the trader's profile, this includes information on what the user is allowed to trade);

permitting trading of the contracts (figures 14A, 14B, 18, 19; column 33, line 45-column 34, line 60, a trader can submit new order, execute active order, cancel order, etc...);

generating a trade ticket (column 42, lines 25-35, the minimum number of tickets are generated); and

facilitating payments on said contracts (column 21, lines 19-20, net payments for all transactions completed through the system).

Regarding claims 2-3, May further discloses providing trader information to an escrow agent and cross checking data with the escrow agent (column 9, lines 20-30, Legal Entity or Business Unit).

Regarding claim 4, May further discloses a server for generating, storing and presenting transaction information available for trading (figure 2 and column 11, lines 40-50, the trade mechanism 30 includes a market inventory module 38 which holds the passive orders for each market and broadcast the same to the trader workstations 20).

Regarding claim 5, May further discloses a server for disseminating information regarding trading contracts available (figure 2 and column 11, lines 50-53, the trade mechanism 30 includes an execution module 40 receives the executed trade and proposes a trade for a grater quantity, and processes term negotiation).

Regarding claim 6, May further discloses a server, data forms and database for

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data input and storage (figure 2 and column 12, lines 20-50, the central processing center 12 includes input device 54, memory 58, database 66).

Regarding claim 7, May further discloses facilitating data exchange between the escrow agent and the trader (column 13, lines 15-27, the credit preference module 76 receives the stored credit preferences inputted by the user, the stored credit preferences include preference directed to other business unit's legal entities, and the preferences inputted by the other users directed toward the business unit's legal entity of the subject user).

Regarding claim 8, May further discloses a server, database, SQL queries, forms and reports required to cross check data between parties involved in a trader account (column 12, lines 40-52, the relational database 66).

Regarding claim 9, May further discloses data forms and database for facilitating automated and live interaction between the trader and the server (column 12, lines 37-52, database 66 stores information such as current state information for each trader workstations 20).

Regarding claim 10, May further discloses wherein a plurality of traders interacts in dynamic fashion with the server (column 11, lines 20-35, trader workstation 20 interacts with the central processing center 12).

Regarding claim 11, May further discloses a plurality of contracts traded on the server (column 9, lines 40-45, collections of financial contracts).

Regarding claim 12, May further discloses pricing of the contracts on the server (column 22, lines 1-20, the system lists the benchmark bonds and calculates a default price according to market convention).

Regarding claim 19, May further discloses wherein the server receives bids and asks from traders on contracts on the products or brands (column 31, lines 58-67).

Regarding claim 20, May further discloses terminals connected to the server to exchange information regarding the contracts (column 11, lines 20-35, trader workstation 20 interacts with the central processing center 12).

Regarding claim 21, May further discloses a means of having predefined barriers and levels of payoffs viewed by members on their terminals (figure 7 and column 27, line 50-column 28, line 60, credit preferences).

Regarding claim 22, May further discloses calculating and showing expected sales given trader inputs (column 43, line 20-column 44, line 65, calculating the auction rate and price information).

Regarding claim 23, May further discloses allowing bids and offers on said contracts prior to their maturity or settlement (column 38, lines 32-45, bids and offers on contracts prior to their settlement).

Regarding claim 24, May further discloses storing and disseminating information regarding executed trades (figure 2 and column 11, lines 50-53, the trade mechanism 30 includes an execution module 40 receives the executed trade and proposes a trade for a greater quantity, and processes term negotiation).

Regarding claim 25, May further discloses facilitating settlement notices,

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settlements and disbursements specific to the contracts traded (column 38, lines 32-45).

Regarding claim 26, May further discloses wherein on maturity or settlement date, traders receive disbursements based on an original total pool of investment less a nominal transaction fee (column 54, lines 27-35).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 13-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over May, U.S. Patent No. 6,996,540.

Regarding claims 13-14, May does not discloses wherein the server calculates and provides expected sales on the product or brand, as determined using parimutuel principles from active trading inputs and wherein pricing is provided using parimutuel principles. However, parimutuel principles are well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify May's to adopt the well-known features above, for the purpose of eliminating the risk in trading.

Regarding claim 15, May further discloses providing derivatives on the brand and product sales, based on market curves (column 43, lines 20-45).

Regarding claims 16-18, May further discloses wherein the derivatives are futures, swaps, and options (column 17, lines 50-67).

Conclusion

9. Claims **1-26** are rejected.

10. The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure:

Nieboer et al. (US 6,418,419) disclose automated system for conditional order transactions in securities or other items in commerce.

Glodjo et al. (US 7,184,984) disclose Global electronic trading system.

Garber (US 5,963,923) discloses system and method for trading having a principal market maker.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (571) 272-6796. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (571) 272-3600.

12. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

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P.O. Box 1450

Alexandria, VA 22313-1450

Or faxed to:

(571) 273-8300 (for formal communication intended for entry),

or

(571) 273-0325 (for informal or draft communication, please label

"PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Knox building, 501 Dulany
Street, Alexandria, VA, First Floor (Receptionist).



NGA NGUYEN
PRIMARY EXAMINER

October 23, 2007